

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the City of Wisconsin Dells, Columbia, Sauk and Adams
Counties, Wisconsin, as an Electric Public Utility, for Authority to
Increase Electric Rates

6610-ER-104

FINAL DECISION

This is the final decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of the city of Wisconsin Dells (applicant), as an electric public utility, for authority to increase electric rates. The application is APPROVED as conditioned by this Final Decision.

Introduction

The applicant applied to the Commission on July 31, 2014, for authority to increase electric rates by \$382,557, or 7.05 percent. The applicant's last rate change was approved in docket 6610-ER-103 by Final Decision dated December 26, 2007. The applicant cited increased operation and maintenance expenses as the contributing factor(s) for the rate increase request. The final overall rate change authorized is \$290,986 or 5.40 percent for the test year which ends December 31, 2014.

Pursuant to due notice, the Commission held a telephonic hearing at Madison and Wisconsin Dells on January 13, 2015. The city of Wisconsin Dells is the only party to the proceeding. The appearances in this proceeding are listed in Appendix A.

Findings of Fact

1. A reasonable estimate of average net investment rate base for the test year is \$3,171,428.

2. The applicant's present authorized rates for electric utility service will produce total operating revenues of \$5,414,227, which are less than the applicant's revenue requirement of \$5,705,213 for the test year. The applicant's present rates are unreasonable and unjust.

3. The rate of return on average net investment rate base at current rates of negative 2.93 percent is unreasonable and inadequate.

4. The applicant's utility ratemaking capital structure for the test year consisting of 23.65 percent municipal equity and 76.35 percent long-term debt is unreasonable. This low equity and high debt percentage could cause a significant financial vulnerability and risk to the applicant's ability to fund future capital projects.

5. The applicant's negative unappropriated surplus as of December 31, 2013, of \$68,167 is unreasonable. It results from the city of Wisconsin Dells removing \$2.3 million of unappropriated surplus in 2012 in conjunction with two consecutive years of net operating losses.

6. A reasonable return on municipal equity is 11.64 percent.

7. The applicant's composite cost of debt is 4.58 percent. A reasonable return on average net investment rate base that will provide adequate interest coverage is 6.25 percent.

8. Authorizing the applicant to continue to apply a power cost adjustment clause (PCAC) for retail electric service during the test year is reasonable.

9. An increase in the applicant's operating revenues for the test year of \$290,986 is necessary to generate a 6.25 percent return on average net investment rate base and to cover the applicant's total cost of service.

10. The rates and rules in Appendices C and D are just and reasonable and will permit the applicant to earn the necessary revenue requirement for the test year.

11. The annual depreciation rates in Appendix E are reasonable.

12. Energy conservation, renewable resources, or energy priorities listed in Wis. Stat. §§ 1.12 or 196.025 and their combination would not be a cost effective, technically feasible, or environmentally sound alternative to the rate increase authorized in this Final Decision.

Conclusion of Law

1. The applicant is a municipal electric public utility as defined in Wis. Stat. §§ 66.0801 and 196.01(5).

2. The Commission has authority under Wis. Stat. §§ 196.025, 196.03, 196.20, and 196.37, to authorize the applicant to establish electric rates and rules and annual depreciation rates in accordance with this Final Decision and to determine that the rates and rules in Appendices C, D, and E are reasonable and just as a matter of law.

3. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Gas and Energy those functions vested by law as enumerated above. It has delegated the authority to the administrator of the Gas and Energy Division to issue a Final Decision in this matter.

Opinion

Net Investment Rate Base

The average net investment rate base for the test year is as follows:

Electric Utility Plant	\$8,731,647
Less: Accumulated Depreciation	5,660,532
Less: Regulatory Amort. Accum. Depreciation	<u>97,428</u>
Net Plant:	\$2,973,687
Plus: Materials and Supplies	197,741
Less: Customer Advances	<u>0</u>
Net Investment Rate Base	\$3,171,428

This rate base is reasonable and just.

Comparative Income Statement

Income statements showing revenues and expenditures estimated for the test year ending December 31, 2014, at present rates and at rates authorized in this Final Decision, are contained in Appendix B. Such income statements are reasonable and just for purposes of this proceeding. Appendix B also shows the percent change in revenues for the various rate classes at present and authorized rates. The applicant's present rates are unreasonable and unjust because they produce inadequate revenues.

The depreciation expense included in the revenue requirement for the test year was computed using the depreciation rates shown in Appendix E. These depreciation rates are effective on the effective date of this Final Decision for computing the depreciation expense on the average investment for each plant account.

Capital Structure

During the course of this proceeding the applicant's capital structure was estimated to be 23.65 percent equity and 76.35 percent debt. This low equity and high debt percentage could cause a significant financial vulnerability and risk to the applicant's ability to fund future capital projects. Additionally, in 2012, the city of Wisconsin Dells appropriated \$2.3 million dollars of the applicant's earned surplus. This, in conjunction with the applicant's operating loss for years 2012 and 2013, created a negative utility surplus. This negative surplus raises concerns for the applicant's financial strength.

Given the weak capital structure, it is in the applicant's and rate payers' best interests for the applicant to not only maintain its current capital funds but to strengthen and increase its

equity and surplus levels. Therefore, it is reasonable to restrict the applicant's ability to distribute any surplus income or make any other fund transfers, except payment in lieu of taxes, to the city of Wisconsin Dells without prior Commission approval. Furthermore, the applicant may not make any new utility loans or other construction loans to any other Wisconsin Dells-owned utility without prior Commission approval. The applicant may not become surety, guarantor, or endorser upon any obligation, contingent or otherwise, for another Wisconsin Dells-owned utility without prior Commission approval. The applicant's revenues may not be pledged for indebtedness unrelated to the operation of the electric utility without prior Commission approval. This restriction shall remain in effect until the applicant requests and the Commission approves amending or rescinding this condition.

Additionally, the applicant shall not issue any securities without first obtaining from the Commission a certificate authorizing such issuance. A security for purposes of this condition is an indebtedness which would be recorded under Accounts 221, 223, 224, or 231 of the Commission's Uniform System of Accounts. This requirement shall remain in effect until the applicant requests, and Commission approves, amending or rescinding this condition.

To facilitate the Commission's ongoing oversight of the applicant's financial condition, the applicant will be required to file a rate case no later than two years after the issuance of this Final Decision.

Return on Rate Base

It is reasonable to expect the applicant to pay \$4,195,109 to its wholesale supplier, Wisconsin Power and Light Company (WP&L), for purchased power during the test year. During this period, the Commission projects that the applicant will sell 56,709,904

kilowatt-hours (kWh) of energy. Consequently, the Commission also projects that the applicant's present rates will produce total operating revenues of \$5,414,227 against total operating expenses of \$5,506,999, yielding a net operating loss of \$92,772. This net operating loss provides a negative 2.93 percent rate of return on the above determined average net investment rate base of \$3,171,428. Because the present rates produce a low rate of return, they are inadequate.

It is reasonable to estimate the applicant's capital employed in providing public utility service as 23.65 percent municipal equity and 76.35 percent long-term debt. The composite cost of debt capital is 4.58 percent. A return on rate base of 6.25 percent will provide a return on municipal equity of 11.64 percent and 1.79 times interest coverage. The rate of return of 6.25 percent applied to net investment rate base in determining revenue requirement for purposes of this proceeding is reasonable and just.

Power Cost Adjustment Clause

The applicant's earnings are extremely sensitive to the wholesale rates and fuel adjustment charged by its supplier. Purchased power costs represent approximately 76.18 percent of the applicant's total operating expenses. Fluctuations in the applicant's earnings can result from changes in the wholesale demand-energy rate and fuel adjustment charged by WP&L. In order to mitigate fluctuations in the applicant's earnings due to changes in the cost of purchased power, the Commission authorizes the applicant to continue to apply a PCAC to all of its retail bills. This clause permits increases or decreases in the cost of purchased power to be passed on directly to the customer. The applicant presumably makes no profit from applying this PCAC to its retail bills.

This Final Decision revises the PCAC to reflect the change in the base average cost of power (the “U” factor of the clause) for the test year. The PCAC is applicable each month and shall reflect the difference between monthly and test period wholesale purchased power costs.

The authorized rates, as shown in Appendix C, reflect the test-year PCAC factor. This average per kWh adjustment to a customer’s retail electric bill represents expected changes in the wholesale cost of purchased power for the test year. The cost of purchased power used to compute this average adjustment is based upon rates set by WP&L which are effective on and after January 1 of the test year.

Rates

The Commission adjusted the applicant’s base rates in addition to revising the PCAC. The authorized rates will increase revenues by approximately \$290,986 annually, or 5.40 percent, resulting in an estimated net operating income of \$198,243 for the test year. This net operating income provides a rate of return of 6.25 percent on the applicant’s average net investment rate base of \$3,171,428.

Rate Design

The Commission has a statutory responsibility to establish reasonable and just rates. It is reasonable and just to authorize flat usage and time-of-day (TOD) electric rates. The flat usage rate design provides an appropriate price signal to the consumer in lieu of TOD rates.

The rates in Appendix C are generally based on the cost-of-service principle; that is, rates are designed to recover the costs of providing service to each customer class. Commission staff performed a cost-of-service study (COSS), based on the applicant’s costs, to design rates for this proceeding. The Commission recognizes that any COSS is not a precise reflection of cost

causality, but rather depends heavily on the accuracy of the data and projections used and the many judgments of the person performing the study. Selecting final class revenue targets, using the COSS as a guideline and adhering to the general principles of rate-making, is also largely a matter of judgment. Final decisions regarding the increase or decrease for each class, as well as the rate design for each class, were influenced by all of the following factors: Commission staff's COSS; consideration of rates charged to customers of the adjacent large private power company, WP&L; concern regarding rate impact; and the expressed wishes of the applicant.

The authorized rates, as shown in Appendix B, will produce increases in revenues from all classes, for the test year. The present rates and authorized rates, listed by rate class, appear in Appendix C. It is reasonable to make the changes in electric rates as shown in Appendix C that:

1. Roll the test-year PCAC of \$.0140 per kWh into base rates;
2. Reflect current operating costs, the emerging competitive environment in the electric utility industry, and the customer bill impacts; and
3. Increase demand charges to better reflect capacity-related costs in the applicant's purchased power bills.

The authorized rate and rule tariffs appear in Appendices C and D, respectively.

Rule Changes

The applicant's current extension rules comply with Wis. Admin. Code §§ PSC 113.1001 to 113.1010. The current extension construction allowances, however, are not based on current costs and, based on data submitted at the hearing, are unreasonable and unjust. The Commission finds it reasonable to revise the applicant's construction allowances as shown in Appendix D.

Charge for Returned Checks

The charge for checks returned for insufficient funds (NSF) is currently \$15.00. The cost incurred in handling NSF checks is equal to or greater than \$30.00 per check. The Commission authorizes the applicant to charge \$30.00 for NSF checks. The NSF check provision appears in Appendix D.

Reasonableness of Rates and Rules

The rates and rules authorized by this Final Decision will require each class of customers to bear a fair and equitable portion of the applicant's total revenue requirement for the test year ending December 31, 2014. The rate and rule changes authorized by this Final Decision are reasonable and just.

Effective Date

The Commission finds it reasonable for the authorized rate and tariff changes to take effect one day after the date of service, provided that these rates and tariff provisions are made available by that date to the public at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public. If these rate increases and tariff provisions are not made available to the public by that date, it is reasonable to require that they take effect on the date the applicant makes them available at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public.

Order

1. The authorized rate and tariff changes shall take effect one day after the date of service, provided that these rate and tariff provisions are made available by that date to the public

at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public. If these rate increases and tariff provisions are not made available to the public by that day, they shall take effect on the date the applicant makes them available at locations where customer payments are accepted, on the utility's Internet site, or in a form and place that is otherwise readily accessible to the public.

2. The applicant may not distribute any surplus income nor make any other fund transfers, except payment in lieu of taxes, to the city of Wisconsin Dells without prior Commission approval. Furthermore, the applicant may not make any new utility loans or other construction loans to Wisconsin Dells-owned utilities without prior Commission approval. The applicant may not become surety, guarantor, or endorser upon any obligation, contingent or otherwise, for another Wisconsin Dells-owned utility without prior Commission approval. The applicant's revenues may not be pledged for indebtedness unrelated to the operation of the electric utility without prior Commission approval. The foregoing restrictions shall remain in effect until the applicant requests and the Commission approves amending or rescinding one or more of the restrictions in this Final Decision condition.

3. The applicant shall not issue any securities without first obtaining from the Commission a certificate authorizing such issuance. A security for purposes of this condition is an indebtedness which would be recorded under Accounts 221, 223, 224, or 231 of the Commission's Uniform System of Accounts. This requirement shall remain in effect until the applicant requests and Commission approves amending or rescinding this condition.

4. The applicant shall file its next rate case within two years of the Final Decision in this proceeding.

5. The applicant shall revise its existing rates and tariff provisions for electric service, substituting the authorized rate and tariff changes shown in Appendices C and D. These changes shall be in effect until the Commission issues an order establishing new rates and tariff provisions.

6. The annual depreciation rates specified in Appendix E are effective on the effective date of this Final Decision.

7. The applicant shall inform the Commission, in writing within 20 days of the effective date of this Final Decision, of the date that the utility makes the authorized rates and rules effective.

8. Pursuant to Wis. Stat. § 196.19, the utility shall be deemed to have filed with the Commission the rates authorized in this Final Decision when the utility receives completed tariff sheets reflecting this Final Decision from the Commission.

9. Extension applications made before the effective date of this Final Decision and ready to receive service within 60 days following the effective date of this Final Decision shall be completed under the applicant's current rules, rather than the rules specified in Appendix D. "Ready to receive service" means having the premises in a condition to receive permanent service or having temporary service for construction purposes. The applicant shall immediately inform all parties with pending extension requests of the new rules and 60-day limitation.

10. The applicant's PCAC shall be applicable each month and shall reflect the difference between monthly and test-period wholesale purchased power costs.

11. The applicant shall inform each customer of the new rates as required by Wis. Admin. Code § PSC 113.0406(1)(d).

Docket 6610-ER-104

12. This Final Decision takes effect one day after the date of service.

Dated at Madison, Wisconsin, January 23, 2015.

A handwritten signature in black ink, appearing to read "Jeffrey J. Ripp". The signature is stylized with a large, looping initial "J" and a cursive "Ripp".

Jeffrey J. Ripp
Administrator
Gas and Energy Division

JJR:RSS:jlt:DL: 00953721

See attached Notice of Appeal Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

¹ See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPENDIX A

In order to comply with Wis. Stat. § 227.47, the following parties who appeared before the agency are considered parties for purposes of review under Wis. Stat. § 227.53.

Public Service Commission of Wisconsin
(Not a party but must be served)
610 N. Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Sam Shannon, Rate Analyst
Jackie Madsen, Auditor
Gas and Energy Division

CITY OF WISCONSIN DELLS
by
David Holzem, DPW
Monica Dorow-Leis, Utility Clerk
John Walker, Consultant

Wisconsin Dells Electric Utility
Comparative Income Statement
For the Test Year January 1-December 31, 2014

	Revenues At Present Rates*	Revenues At Authorized Rates	Percent Change
OPERATING REVENUES			
RETAIL SALES OF ELECTRICITY			
Residential Service	\$ 1,142,120	\$ 1,229,289	7.63%
General Service	\$ 1,254,626	\$ 1,257,078	0.20%
Small Power Service	\$ 681,092	\$ 735,514	7.99%
Cp-1	\$ 1,450,167	\$ 1,520,053	4.82%
Cp-2	\$ 754,380	\$ 809,252	7.27%
Lighting Service	\$ 106,842	\$ 129,056	20.79%
TOTAL RETAIL SALES OF ELECTRICITY	\$ 5,389,227	\$ 5,680,242	5.40%
OTHER SALES OF ELECTRICITY	\$ -	\$ -	0.00%
TOTAL ALL SALES OF ELECTRICITY	\$ 5,389,227	\$ 5,680,242	5.40%
OTHER OPERATING REVENUES	\$ 25,000	\$ 25,000	
TOTAL ALL OPERATING REVENUES (A)	\$ 5,414,227	\$ 5,705,242	
OPERATING EXPENSE			
O. & M. EXPENSE			
Production Expenses	\$ 4,195,109	\$ 4,195,109	
Trans. & Distrib. Expenses	\$ 281,300	\$ 281,300	
Customer Account Expenses	\$ 98,500	\$ 98,500	
Admin. & General Expenses	\$ 299,374	\$ 299,374	
TOTAL O. & M. EXPENSE	\$ 4,874,283	\$ 4,874,283	
DEPRECIATION EXPENSE	\$ 387,442	\$ 387,442	
TAXES	\$ 245,274	\$ 245,274	
TOTAL OPERATING EXPENSES (B)	\$ 5,506,999	\$ 5,506,999	
NET OPERATING INCOME (A-B=C)	\$ (92,772)	\$ 198,243	
AVG. NET INVEST. RATE BASE (D)	\$ 3,171,428	\$ 3,171,428	
RATE OF RETURN ON RATE BASE (C / D)	-2.93%	6.25%	

*/ Reflects a Test Year PCAC of \$0.014 per kWh.

Calculated using rates for Wisconsin Power & Light, as approved by its Board of Directors, effective for service after January 1 of the test year

Wisconsin Dells Electric Utility
Present and Authorized Rates
For the Test Year 2014

Type of Service	Present Rates				Authorized Rates	
Residential Service Rg-1						
Customer Charge						
	Single Phase	\$	7.00	per month	\$	8.00 per month
	Three Phase	\$	12.00	per month	\$	14.00 per month
Energy Charge		\$	0.0725	per kWh	\$	0.0925 per kWh
PCAC		\$	0.0140	per kWh	\$	- per kWh
General Service Gs-1						
Customer Charge						
	Single Phase	\$	7.00	per month	\$	8.00 per month
	Three Phase	\$	12.00	per month	\$	14.00 per month
Energy Charge		\$	0.0820	per kWh	\$	0.0955 per kWh
PCAC		\$	0.0140	per kWh	\$	- per kWh
Gs-2: Large General Service 40-75 kW						
Customer Charge		\$	35.00	per month	\$	35.00 per month
Distribution Demand Charge			\$1.50	per kW		\$1.50 per kW
Monthly Billed Demand Charge			\$3.25	per kW		\$3.50 per kW
Energy Charge						
	All hours Energy	\$	0.0593	per kWh	\$	0.0800 per kWh
PCAC		\$	0.0140	per kWh	\$	- per kWh
Cp-1: Small Power 75-200 kW						
Customer Charge		\$	75.00	per month	\$	75.00 per month
Distribution Demand Charge		\$	1.50	per kW	\$	2.00 per kW
Monthly Billed Demand Charge		\$	4.50	per kW	\$	5.00 per kW
Energy Charge		\$	0.0547	per kWh	\$	0.0695 per kWh
PCAC		\$	0.0140	per kWh	\$	- per kWh

Wisconsin Dells Electric Utility
Present and Authorized Rates
For the Test Year 2014

Type of Service	Present Rates			Authorized Rates			
Cp-2: Large Power Time-of-Day > 200 kW							
Customer Charge	\$	150.00	per month	\$	150.00	per month	
Distribution Demand Charge	\$	1.80	per kW	\$	3.00	per kW	
Monthly Billed Demand Charge	\$	6.00	per kW	\$	6.00	per kW	
Energy Charge							
	On-Peak kWh	\$	0.0548	per kWh	\$	0.0700	per kWh
	Off-Peak kWh	\$	0.0425	per kWh	\$	0.0580	per kWh
PCAC	\$	0.0140	per kWh	\$	-		per kWh
Ms-1: Street Lighting							
INVESTMENT CHARGE							
Overhead Lighting:							
65 W LED	\$	7.50	per month	\$	7.00	per month	
90 W LED	\$	7.50	per month	\$	7.00	per month	
160 W LED	\$	7.50	per month	\$	9.00	per month	
175 W MV	\$	7.50	per month	\$	7.50	per month	
400 W MV	\$	9.00	per month	\$	9.00	per month	
100 W HPS	\$	7.50	per month	\$	7.50	per month	
150 W HPS	\$	8.00	per month	\$	8.00	per month	
250 W HPS	\$	8.25	per month	\$	8.50	per month	
400 W HPS	\$	9.00	per month	\$	9.50	per month	
Ornamental Lighting:							
100 W HPS	\$	7.50	per month	\$	12.00	per month	
250 W HPS	\$	8.25	per month	\$	14.00	per month	
400 W HPS	\$	9.00	per month	\$	16.00	per month	
Unmetered Lighting:							
100 W HPS	\$	12.30	per month	\$	7.50	per month	
250 W HPS	\$	17.40	per month	\$	8.50	per month	
400 W HPS	\$	20.80	per month	\$	9.50	per month	
Athletic Field Demand Charge	\$	4.50	per kW	\$	3.80	per kW	
Energy Charge	\$	0.0473	per kWh	\$	0.0800	per kWh	
PCAC	\$	0.0140	per kWh	\$	-		per kWh

Wisconsin Dells Electric Utility
Present and Authorized Rates
For the Test Year 2014

Type of Service	Present Rates	Authorized Rates
PRIMARY & TRANSFORMER DISCOUNTS		
Primary Voltage Discount All Voltage Levels (1)	2.50% per \$	2.50% per \$
Transformer Ownership Discount on Distribution Demand All Voltage Levels (A)	\$ 0.22 per kW	\$ 0.22 per kW
AVERAGE BASE COST OF POWER	\$ 0.0600 per kWh	\$ 0.0740 per kWh
EMBEDDED ALLOWANCES		
Rg-1 & Rg-2, \$/Customer	\$ 185.00	\$ 710.00
Gs-1, \$/Customer	\$ 538.00	\$ 1,165.00
Gs-2, \$/Customer	\$ 2,020.00	\$ 9,240.00
Cp-1 & Cp-1 TOD, \$/kW-mo	\$ 48.90	\$ 210.00
Cp-2, \$/kW-mo	\$ 40.00	\$ 212.00
Ms-1, \$/Lamp	\$ 10.23	\$ 49.00
NSF CHARGE	\$ 15.00	\$ 30.00
RECONNECTION CHARGES		
During Office Hours	\$ 35.00	\$ 35.00
After Office Hours	\$ 70.00	\$ 70.00

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Power Cost Adjustment Clause

All metered rates shall be subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased (per kilowatt-hour of sales).

The current cost per kilowatt-hour of energy billed is equal to the cost of power purchased for the most recent month, divided by the kilowatt-hours of energy sold. The monthly adjustment (rounded to the nearest one one-hundredth of a cent) is equal to the current cost less the base cost. The base cost of power (U) is \$0.0740 per kilowatt-hour.

Periodic changes shall be made to maintain the proper relative structure of the rates and to insure that power costs are being equitably recovered from the various rate classes. If the monthly adjustment (A) exceeds \$0.0150 per kilowatt-hour, for more than three times in a 12-month period (current plus preceding 11-months), the company shall notify the Public Service Commission of Wisconsin separate from its monthly PCAC report of the need to evaluate a change in rates to incorporate a portion of the power cost adjustment into the base rates.

For purposes of calculating the power cost adjustment charge, the following formula shall be used:

$$A = \frac{C}{S} - U$$

- A is the power cost adjustment rate in dollars per kilowatt-hour rounded to four decimal places applied on a per kilowatt-hour basis to all metered sales of electricity.
- S is the total kilowatt-hours sold during the most recent month.
- U is the base cost of power, which equals the average cost of power purchased per kilowatt-hour of sales for the test year period. This figure remains constant in each subsequent monthly calculation at \$0.0740 per kilowatt-hour until otherwise changed by the Public Service Commission of Wisconsin.
- C is the cost of power purchased in dollars in the most recent month. Cost of power purchased for calculation of C are the monthly amounts which would be recorded in the following account of the Uniform System of Accounts:

Class A & B utilities	Account 555
Class C utilities	Account 545
Class D utilities	Account 540

EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 1 of 1

Schedule No. Rg-1

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Residential Service

Application: This rate will be applied to residential single-phase customers for ordinary household purposes. Single-phase motors may not exceed 5 horsepower individual-rated capacity without utility permission.

Customers who do not meet these criteria will be served under the applicable rate.

Customer Charge: Single-phase: \$ 8.00 per month.
Three-phase: \$14.00 per month.

Energy Charge: \$0.0925 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Prompt Payment of Bills: A charge of no more than 1 percent per month will be added to bills not paid within 20 days from date of issuance. The late payment charge shall be applied to the total unpaid balance for utility service, including unpaid payment charges. This charge is applicable to all customers.

EFFECTIVE:
PSCW AUTHORIZATION:

RATE FILE

Sheet No. 1 of 1

Schedule No. Gs-1

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

General Service

Application: This rate will be applied to single and three-phase customers. This includes commercial, institutional, government, farm, and other customers. The monthly Maximum Measured Demand of customers served on this rate shall not exceed 40 kilowatts for three or more months in a consecutive 12-month period.

Gs-1 customers shall be transferred into the appropriate demand class as soon as the application conditions of that class have been met.

Customer Charge: Single-phase: \$ 8.00 per month.
Three-phase: \$14.00 per month.

Energy Charge: \$0.0955 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Prompt Payment of Bills: Same as Rg-1.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 1 of 1

Schedule No. Gs-2

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Large General Service

Application: This rate will be applied to customers for all types of service if their monthly Maximum Measured Demand is in excess of 40 kilowatts (kW) per month for three or more months in a consecutive 12-month period, unless the customer exceeds the application conditions of the large power time-of-day schedule.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 40 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 40 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$35.00 per month.

Distribution Demand Charge: \$1.50 per kW of distribution demand.

Demand Charge: \$3.50 per kW of billed demand.

Energy Charge: \$0.0800 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be the customer charge.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of Billed Demand: The Billed Demand shall be the Maximum Measured.

EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 1 of 2

Schedule No. Cp-1

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Small Power Service

Application: This rate will be applied to customers for all types of service if their monthly Maximum Measured Demand is in excess of 75 kilowatts (kW) per month for three or more months in a consecutive 12-month period, unless the customer exceeds the application conditions of the large power time-of-day schedule.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 75 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 75 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$75.00 per month.

Distribution Demand Charge: \$2.00 per kW of distribution demand.

Demand Charge: \$5.00 per kW of billed demand.

Energy Charge: \$0.0695 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

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EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 2 of 2

Schedule No. Cp-1

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Small Power Service (continued)

Discounts: The monthly bill for service will be subject to the following discounts applied in the sequence listed below.

Primary Metering Discount: Customers metered on the primary side of the transformer shall be given a 2.50 percent discount on the monthly energy charge, distribution demand charge, and demand charge. The PCAC and the monthly customer charge will not be eligible for the primary metering discount.

Transformer Ownership Discount: Customers who own and maintain their own transformers or substations shall be given a credit of \$0.22 per kW of distribution demand. Customer-owned substation equipment shall be operated and maintained by the customer. Support and substation equipment is subject to utility inspection and approval.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of Billed Demand: The Billed Demand shall be the Maximum Measured.

EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 1 of 2

Schedule No. Cp-1TOD

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Small Power - Optional Time-Of-Day Service

Application: This rate schedule is optional to all Cp-1 customers. Customers that wish to be served on this rate schedule must apply to the utility for service. Once an optional customer begins service on this rate schedule, the customer shall remain on the rate for a minimum of one year. Any customer choosing to be served on this rate schedule waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Once on this rate, the utility will review billing annually according to Wis. Admin. Code ch. PSC 113.

Customer Charge: \$75.00 per month.

Distribution Demand Charge: \$2.00 per kW of distribution demand.

Demand Charge: \$5.00 per kW of billed demand.

Energy Charge: On-peak: \$0.0800 per kilowatt-hour (kWh).
Off-peak: \$0.0600 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Prompt Payment of Bills: Same as Rg-1.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Pricing Periods: On-peak: 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays, specified below.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day designated to be celebrated as such.

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EFFECTIVE:

PSCW AUTHORIZATION:

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Small Power - Optional Time of Day Service (continued)

Discounts: The monthly bill for service will be subject to the following discounts applied in the sequence listed below.

Primary Metering Discount: Customers metered on the primary side of the transformer shall be given a 2.50 percent discount on the monthly energy charge, distribution demand charge, and demand charge. The PCAC and the monthly customer charge will not be eligible for the primary metering discount.

Transformer Ownership Discount: Customers who own and maintain their own transformers or substations shall be given a credit of \$0.22 per kW of distribution demand. Customer-owned substation equipment shall be operated and maintained by the customer. Support and substation equipment is subject to utility inspection and approval.

Determination of Maximum Measured Demand and On-peak Maximum Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month. The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Maximum Demand.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of On-peak Billed Demand: The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Billed Demand.

RATE FILE

Sheet No. 1 of 3

Schedule No. Cp-2

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Large Power Time-of-Day Service

Application: This rate will be applied to customers for all types of service, if their monthly Maximum Measured Demand is in excess of 200 kilowatts (kW) per month for three or more months in a consecutive 12-month period.

Customers billed on this rate shall continue to be billed on this rate until their monthly Maximum Measured Demand is less than 200 kW per month for 12 consecutive months. The utility shall offer customers billed on this rate a one-time option to continue to be billed on this rate for another 12 months if their monthly Maximum Measured Demand is less than 200 kW per month. However, this option shall be offered with the provision that the customer waives all rights to billing adjustments arising from a claim that the bill for service would be less on another rate schedule than under this rate schedule.

Customer Charge: \$150.00 per month.

Distribution Demand Charge: \$3.00 per kW of distribution demand.

Demand Charge: \$6.00 per kW of on-peak billed demand.

Energy Charge: On-peak: \$0.0700 per kilowatt-hour (kWh).
Off-peak: \$0.0580 per kWh.

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Minimum Monthly Bill: The minimum monthly bill shall be equal to the customer charge, plus the distribution demand charge.

Prompt Payment of Bills: Same as Rg-1.

(Continued on next page)

EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 2 of 3

Schedule No. Cp-2

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Large Power Time-of-Day Service (continued)

Pricing Periods:

On-peak: 8 a.m. to 10 p.m., Monday through Friday, excluding holidays, specified below.

Off-peak: All times not specified as on-peak including all day Saturday and Sunday, and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, or the day nationally designated to be celebrated as such.

Discounts: The monthly bill for service will be subject to the following discounts applied in the sequence listed below.

Primary Metering Discount: Customers metered on the primary side of the transformer shall be given a 2.50 percent discount on the monthly energy charge, distribution demand charge, and demand charge. The PCAC and the monthly customer charge will not be eligible for the primary metering discount.

Transformer Ownership Discount: Customers who own and maintain their own transformers or substations shall be given a credit of \$0.22 per kW of distribution demand. Customer-owned substation equipment shall be operated and maintained by the customer. Support and substation equipment is subject to utility inspection and approval.

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EFFECTIVE:

PSCW AUTHORIZATION:

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Large Power Time-of-Day Service (continued)
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Determination of Maximum Measured Demand and On-peak Maximum Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month. The Maximum Measured Demand that occurs during the On-peak period shall be the On-peak Maximum Demand.

Determination of Distribution Demand: The Distribution Demand shall be the highest monthly Maximum Measured Demand occurring in the current month or preceding 11-month period.

Determination of On-peak Billed Demand: On-peak Billed Demand shall be determined each month by the following formula:

$$\text{On-Peak Billed Demand} = \frac{\text{On-Peak Maximum Demand} \times 90\%}{\text{Average Monthly Power Factor}}$$

The Average Monthly Power Factor is obtained by the following formula, where A = monthly use of kilowatt-hours and B = monthly use of lagging reactive kilovolt-ampere-hours as obtained from a reactive component meter. Any reactive component meter used shall be equipped with ratchets to prevent registration of leading Power Factor.

$$\text{Average Monthly Power Factor} = \frac{A}{\sqrt{A^2 + B^2}}$$

RATE FILE

Sheet No. 1 of 1

Schedule No. Ms-1

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Street Lighting Service

Application: This schedule will be applied to municipal street lighting. The utility will furnish, install, and maintain street lighting units.

This rate schedule is closed to new mercury vapor lights.

Investment charge:

Overhead:

65 W LED	\$7.00 per lamp per month
90 W LED	\$7.00 per lamp per month
160 W LED	\$9.00 per lamp per month
175 W MV	\$7.50 per lamp per month
400 W MV	\$9.00 per lamp per month
100 W HPS	\$7.50 per lamp per month
150 W HPS	\$8.00 per lamp per month
250 W HPS	\$8.50 per lamp per month
400 W HPS	\$9.50 per lamp per month

Ornamental:

100 W HPS	\$12.00 per lamp per month
250 W HPS	\$14.00 per lamp per month
400 W HPS	\$16.00 per lamp per month

Energy Charge: \$0.0800 per kilowatt-hour (kWh).

Athletic Field Lighting:

<u>Demand Charge:</u>	\$3.80 per kW of billed demand.
<u>Energy Charge:</u>	\$0.0800 per kilowatt-hour (kWh).

Power Cost Adjustment Clause: Charge per all kWh varies monthly. See schedule PCAC.

Determination of Maximum Measured Demand: The Maximum Measured Demand in any month shall be that demand in kilowatts necessary to supply the average kilowatt-hours in 15 consecutive minutes of greatest consumption of electricity during each month. Such Maximum Measured Demand shall be determined from readings of permanently installed meters or, at the option of the utility, by any standard methods or meters. Said demand meter shall be reset to zero when the meter is read each month.

Prompt Payment of Bills: Same as Rg-1.

EFFECTIVE:

PSCW AUTHORIZATION:

RATE FILE

Sheet No. 1 of 1

Schedule No. Ms-2

Amendment No.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Area Lighting Service – Unmetered

Application: A retail customer that has been acquired from another distribution provider and previously contracted for unmetered area lighting service from that distribution provider may contract to continue unmetered area lighting service from the utility if the lighting is currently installed at the customer's facilities at the time the arrangement is agreed upon. This rate will be closed for any other application. The utility's obligation to replace a lighting fixture in kind is limited to lights on the current standards list or otherwise readily available at the time of replacement. There is no warranty by the utility that replacement lighting shall be immediately available from stock.

Rates: A flat monthly charge will cover the costs of equipment, maintenance, and energy.

100 W HPS	\$7.50 per lamp per month
250 W HPS	\$8.50 per lamp per month
400 W HPS	\$9.50 per lamp per month

Billing: The billing for the area lighting service will appear as an additional charge on the customer's monthly bill for service under a different rate class.

Prompt Payment of Bills: Same as Rg-1.

Nature of Service: The service will be unmetered and operated by a photoelectric cell on the utility's system.

Burning Schedule: The burning schedule will be approximately 4000 hours per year, all night every night approximately from ½ hour after sunset until approximately ½ hour before sunrise.

Area Lighting Equipment: The utility will own, operate, renew lamps, and maintain equipment required to provide the customer's area lighting needs. Should the customer require that lighting equipment be moved, changed, or modified from the existing installation, the customer will no longer be eligible for this tariff, and the contract will be terminated. The customer will have the option of contracting to install lighting equipment with a private contractor and have the consumption billed as metered usage.

Note: LED = Light Emitting Diode
MV = Mercury Vapor
HPS = High Pressure Sodium

EFFECTIVE:

PSCW AUTHORIZATION:

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Other Charges and Billing Provisions

Budget Payment Plan: A budget payment plan, which is in accordance with Wis. Admin. Code ch. PSC 113, is available from the utility. The utility does not use a fixed budget year. The utility will calculate the monthly budgeted amount by spreading the estimated annual bill over eleven months, with the last month consisting of any end of year adjustments.

Reconnection Billing: All customers whose service is disconnected in accordance with the disconnection rules as outlined in Wis. Admin. Code ch. PSC 113, shall be required to pay a reconnection charge. The charge shall be **\$35.00** during regular office hours. After regular office hours the minimum reconnection charge of **\$35.00** applies plus any overtime labor costs, not to exceed a total maximum charge of **\$70.00**.

Reconnection of a Seasonal Customer's Service: Reconnection of a service for a seasonal customer who has been disconnected for less than one year shall be subject to the same reconnection charges outlined above. A seasonal customer shall also be charged for all minimum bills that would have been incurred had the customer not temporarily disconnected service.

Insufficient Fund Charge: A **\$30.00** charge will be applied to the customer's account when a check rendered for utility service is returned for insufficient funds. This charge may not be in addition to, but may be inclusive of, the water utility's insufficient fund charge when the check was for payment of both electric and water service.

Average Depreciated Embedded Cost: The embedded cost of the distribution system (excluding the standard transformer and service facilities), for each customer classification, is determined based on methodology authorized by the Public Service Commission of Wisconsin, and described in the utility's Electric Rules. The average depreciated embedded cost by customer classification is as follows:

Residential Service: **\$710.00**.

Apartment and Rental Units Separately Metered: **\$710.00** per unit metered.

Subdividers and Residential Developers: **\$710.00** per unit.

General Service and Large General Service: (Including Multi-Unit Dwellings If Billed on One Meter): **\$1,165.00** (Gs-1) and **\$9,240.00** (Gs-2).

Power Service: **\$210.00** per kW (Cp-1) and **\$212.00** per kW (Cp-2), of average billed demand.

Street Lighting: **\$49.00**.

EFFECTIVE:

PSCW AUTHORIZATION:

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Parallel Generation (20 kW or less) -- Net Energy Billing

1. Effective In

All territories served by the utility.

2. Availability

Available for single-phase and three-phase customers where a part or all of the electrical requirements of the customer are supplied by the customer's generating facilities, where such facilities have a total generating capability of 20 kW or less, where such facilities are connected in parallel with the utility and where such facilities are approved by the utility.

3. Rate

The customer shall be billed monthly on a net energy basis and shall pay the fixed charge and energy charge specified in the rate schedule under which he is served. If, in any month, the customer's bill has a credit balance of \$25 or less, the amount shall be credited to subsequent bills until a debit balance is reestablished. If the credit balance is more than \$25, the utility shall reimburse the customer by check upon request. Monthly credits shall be computed by taking the net excess kilowatt-hours produced times the sum of the applicable energy charge plus monthly power cost adjustment clause (PCAC).

4. Metering and Services Facilities

A customer who is served under a regular rate schedule shall have any ratchet and/or other device removed from his meter to allow reverse power flow and measurement of net energy used. Customers eligible for net energy billing but with existing metering facilities equipped with ratchets or other devices preventing reverse registration (i.e. time-of-use metering facilities) may request that the utility install the necessary metering to permit such billing.

5. Customer Obligation

See Wis. Admin. Code ch. PSC 119.

Public Service Commission of Wisconsin**WISCONSIN DELLS MUNICIPAL UTILITY****Customer-Owned Generation Systems (Greater than 20 kW)**1. Effective In

All territories served by the utility

2. Availability

Available for single-phase and three-phase customers where a part or all of the electrical requirements of the customer are supplied by the customer's generating facilities, where such facilities have a total generating capability of greater than 20 kW and less than or equal to 100 kW, where such facilities are connected in parallel with the utility. Customers not desiring to sell energy under this rate have the right to negotiate a buy-back rate.

The energy rate indicated below is the minimum for electrical energy. Customers with generating facilities greater than 100 kW can negotiate a buy-back rate. Should the utility be unwilling to pay the minimum rate for electrical energy, the utility shall agree to transport such electrical energy to another utility that will pay such minimum rate. The utility shall recover actual costs of such transportation from the generating customer.

3. Rate

Customers shall receive monthly payments for all electricity delivered to the utility and shall be billed by the utility for metering and associated billing expenses specified in the latest rates of the wholesale supplier unless the latest rates of the wholesale supplier do not properly reflect avoided costs. In such event, the Commission, upon request, may determine appropriate rates. The utility shall have on file a copy of the latest customer-owned generation system rates for its wholesale supplier.

4. On-Peak and Off-Peak Hours and Holidays

On-peak and off-peak hours and holidays are those specified in the wholesale suppliers latest rates.

5. Minimum Charge

The monthly minimum charge paid by the customer shall be the customer charge.

6. Power Factor

The customer shall operate on a net power factor of not less than 90 percent.

Public Service Commission of Wisconsin

WISCONSIN DELLS MUNICIPAL UTILITY

Customer-Owned Generation Systems (Greater than 20 kW) continued

7. Negotiated Rates

Customers with generation systems greater than 100 kW can negotiate a buy-back rate.

Customers with generation systems greater than 20 kW and less than or equal to 100 kW have the right to negotiate a buy-back rate. The buy-back rate cannot be greater than the full avoided cost.

The following are the required procedure guidelines:

- a. The utility must respond to the customer-owned generating system within 30 days of the initial written receipt of the customer-owned generating system proposal and within 30 days of receipt of a subsequent customer-owned generating system proposal,
- b. The utility's rejection of the customer-owned generating system proposal must be accompanied by a counter-offer relating to the specific subject matter of the customer-owned generating system proposal, and
- c. If the utility is unable to respond to the customer-owned generating system proposal within 30 days it shall inform the customer-owned generating system of:
 - 1) Specific information needed to evaluate the customer-owned generating system proposal.
 - 2) The precise difficulty encountered in evaluating the customer-owned generating system proposal.
 - 3) The estimated date that it will respond to the customer-owned generating system proposal.
- d. The Commission may become involved in the utility negotiations upon showing by either utility or the customer-owned generating system that a reasonable conclusion cannot be reached under the above guidelines. The Commission may provide a waiver to the guidelines and order new negotiation requirements so that a reasonable conclusion can be reached.
- e. A copy of all negotiated buy-back rates shall be sent to the Commission. These rates shall not be effective until the contract is placed on file at the Commission.

8. Charges for Energy Supplied by the Utility

Energy supplied by the utility to the customer shall be billed in accordance with the standard applicable rate schedules of the utility.

Public Service Commission of Wisconsin**WISCONSIN DELLS MUNICIPAL UTILITY****Customer-Owned Generation Systems (Greater than 20 kW) continued**9. Maintenance Rate

A customer-owned generation facility may be billed lower demand charges for energy purchased during scheduled maintenance provided written approval is obtained in advance from the utility. Demand charges other than "Customer Demand" shall be prorated if maintenance is scheduled such that the utility does not incur additional capacity costs. Said probation shall be the demand charge times the number of authorized days of scheduled maintenance divided by the number of days in the billing period.

10. Application Process and Customer Obligation

See Wis. Admin. Code ch. PSC 119, Rule for Interconnecting Distributed Generation Facilities.

11. Utility Obligationa. Metering Facilities

The utility shall install appropriate metering facilities to record all flows of energy necessary to bill in accordance with the charges and credits of the rate schedule.

b. Notice to Communication Firms

Each electric utility shall notify telephone utility and cable television firms in the area when it knows that customer-owned generating facility is to be interconnected with its system. This notification shall be as early as practicable to permit coordinated analysis and testing in advance of interconnection, if considered necessary by the electric or telephone utility or cable television firm.

12. Right to Appeal

The owner of the generating facility interconnected or proposed to be interconnected with a utility system may appeal to the Commission should any requirement of the utility service rules filed in accordance with the provisions of Wis. Admin. Code § PSC 119.40, or the required contract be considered to be excessive or unreasonable. Such appeal will be reviewed and the customer notified of the Commission's determination.

**Wisconsin Dells Electric Utility
Schedule of Depreciation Rates**

<u>Account</u>	<u>Description</u>	<u>Depreciation Rate</u>
N/A	COMPOSITE DEPRECIATION RATE	4.46%